

**PROPONENT'S  
ENVIRONMENTAL ASSESSMENT**

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**LAKE ELSINORE  
ADVANCED PUMPED STORAGE  
GENERATION PROJECT  
TALEGA-ESCONDIDO/VALLEY-SERRANO  
500-KV INTERCONNECT  
TRANSMISSION PROJECT**

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## **Introduction to the Proponent's Environmental Assessment**

This "Proponent's Environmental Assessment" (PEA) is submitted to the California Public Utilities Commission (CPUC) as part of an application by The Nevada Hydro Company, Inc. (TNHC) for a "Certificate of Public Convenience and Necessitate" (CPCN) for the Lake Elsinore Advanced Pumped Storage (LEAPS) Project and for the stand-alone Talega-Escondido/Valley-Serrano 500-kV (TE/VS) Interconnect Project.

This document was initially intended to serve as a "Screencheck Draft Environmental Impact Report" (SDEIR) and was submitted to the Elsinore Valley Municipal Water District (EVMWD) by TNHC under the provisions of the California Environmental Quality Act (CEQA). Because it is TNHC's understanding that the CPUC and the EVMWD are separately discussing the issue of lead agency status for the LEAPS and TE/VS Interconnect Projects, this document has not been materially modified and may continue to serve both as a PEA and in fulfillment of its initial intent.

Pending a final lead agency determination, the EVMWD has suggested that TNHC submit the SDEIR to the CPUC as the PEA, revising only the cover and title pages to reflect the function and purpose of this CPUC submittal.

TNHC has not sought to materially revise the SDEIR to reflect the yet to be determined roles and relationship of the CPUC and the EVMWD relative to fulfillment of each agency's respective CEQA obligations for the two proposed energy projects. Those changes, which include the identification and description of the CEQA lead agency, neither fundamentally change the nature of the proposed projects nor the assessment of the potential environmental impacts that would likely result therefrom.

placement and sizing of individual substation components, and design variations within the proposed substations themselves.

Subject to Commission determination, the transmission line's 230-kV Western (Talega-Pendleton) and Eastern (Pendleton-Escondido) segments continue to serve as network upgrades but the transmission line's 500-kV Northern (Lake-LEAPS) and Southern (LEAPS-Pendleton) segments become interconnection facilities.

From an environmental perspective, these differences are not substantial. As a result, the impacts attributable to a "LEAPS project only" alternative would not be expected to be substantially different from those associated with the proposed LEAPS and TE/VS Interconnect projects. The potential environmental impacts of this alternative are, therefore, similar to those outlined in Section 6.0 (Impact Analysis) herein.

### **9.3.2 "TE/VS Interconnect Project Only" Alternative (Transmission Only)**

The identification of the TE/VS Interconnect project as an "alternative" herein is presented for informational purposes only. The LEAPS project is not specifically an alternative to the proposed projects but is a stand-alone project which is one of the two principal projects being examined in this EIR. Its identification in this section is intended to assist readers of this document better understand the range of actions under consideration both by the CEQA Lead Agency and by other responsible agencies.

In the derivation of this project, in addition to a broad range of other issues, the following three possible scenarios were considered: (1) the 500-MW generation project is not licensed by the Commission and/or permitted by the Forest Service and is, therefore, not constructed; and (2) notwithstanding the Applicant's receipt of a federal hydropower license and requisite SUP, the 500-MW generation project (including the proposed powerhouse, upper reservoir, LEAPS substation, penstocks, and intake/outlet structures and such other related improvements and facilities as may be associated therewith) is not constructed based on the Applicant's inability to secure necessary financing or other factors preventing its implementation; and (3) the federal license expires based on the Applicant's inactivity or inability to proceed with the timely construction of the hydroelectric facilities. Although the LEAPS project is not construction, under those scenarios, those facilities associated with the transmission lines interconnecting SCE's 500-kV Valley-Serrano and SDG&E's 230-kV Talega-Escondido systems (including the new 500-kV transmission lines, 230-kV second circuit upgrades (Talega-Escondido No. 2), and new Northern Lake] and Southern [Pendleton] substations), including all appurtenant facilities, are constructed and energized.

With regards to those transmission lines, two possible design variations were considered under this alternative: (1) assuming that the TE/VS Interconnect project is a precursor to the LEAPS project, the transmission lines and related facilities are sized to accommodate both the power flows associated with the SCE/SDG&E interconnect and the additional electricity required for the 600-MW of pumping or the 500-MW of generation associated with the hydropower project (1,000-MW path rating); or (2) assuming that the TE/VS Interconnect project is not a precursor to the LEAPS project or can be constructed in such a fashion as to phase the installation of such additional improvements as may be required to accommodate the additional power flows associated with the hydroelectric facility, the transmission lines and related facilities would only be initially sized to accommodate the power flows attributable to the SCE/SDG&E interconnect and not the additional capacity required for the pumping and generation associated with the hydropower project (<1,000-MW rating). The primary differences between these variations

relate to the size and capacity of the transmission lines, including any resulting design variations relative to conductors and insulators on the transmission towers and design variations within the Northern (Lake) and Southern (Pendleton) substations.

If the construction of the transmission lines were phased such as to include two distinct construction phases, construction impacts would occur at two distinct occasions rather than just once. Although they would occur over a longer duration, the impacts that would likely manifest during the second construction sequence would not be expected to exceed those likely to exist during the initial construction. From an impact perspective, two construction phases would extend the overall construction time period but may not substantively increase the significance of the impacts predicted to occur during those construction activities.

Because CEQA is to "be interpreted in such a manner as to afford the fullest possible protection to the environment" (14 CCR 15003[f]), for the purpose of this EIR analysis, it is assumed that the transmission line is designed, sized, and constructed to accommodate both interconnection and generation functions. Under this variation, for the purpose of this CEQA analysis, the transmission lines would have a 1,000-MW path rating. The resulting new 500-kV transmission line (Lake-Pendleton) and the 230-kV second circuit upgrade (Talega-Escondido No. 2), including all appurtenant facilities, constitute network upgrades. This scenario allows for the consideration of a "transmission only" alternative.<sup>152</sup>

Based on the provisions of Sections 71662 and 71691(e) of the CWC, in the absence of a hydropower component, the District is precluded from actively participating in the exclusive development of the TE/VS Interconnect project absent any hydroelectricity linkage. The 1,000-MW rated transmission line variation is predicated on (and designed specifically to accommodate) the assumption of the imminent development of the hydropower project. As such, although the hydropower generation facilities and the transmission-line only facilities may be developed separately and distinctly, the expectation that the hydropower project would be developed soon or immediately following the construction of the transmission project provides supportable substantiation for the District's involvement.<sup>153</sup>

If the District should elect not to pursue this option or should the District be precluded from serving in the role of project proponent for a transmission-only project based on statutory constraints, TNHC would continue to independently develop this alternative such that, should the District election not to approve or conditionally approve the TE/VS Interconnect project, TNHC would seek its subsequent approval through the CPUC.

The potential environmental impacts of this "TE/VS Interconnect project only" alternative are examined in Section 6.0 (Impact Analysis) herein.

### 9.3.3 "LEAPS Facilities Siting" Alternatives

For consistency, except where otherwise modified, the Applicant's "proposed projects," as examined in this EIR, constitutes the Commission's and the Forest Service's "staff alternative," as described in the FEIS. As the projects have progressed from that described in the

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<sup>152/</sup> Since the 500-MW rated scenario is merely a permitting variation of the proposed projects, that alternative is not separately addressed but is, nonetheless, retained as an option herein.

<sup>153/</sup> Whether constructed in multiple phases or constructed as a 1,000-MW rated transmission line, the TE/VS Interconnect project constitutes a "related transmission facility" under the provisions of the Development Agreement.